

**UNITED STATES BANKRUPTCY COURT FOR THE
NORTHERN DISTRICT OF OKLAHOMA**

In re:)
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SANCTUARY EVANGELISTIC CHURCH, INC.) Case No. **12-12616-M**
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**UNITED STATES TRUSTEE'S MOTION TO CONVERT or DISMISS CHAPTER 11
CASE WITH NOTICE AND OPPORTUNITY FOR HEARING**

Richard A. Wieland, the United States Trustee for Region 20, (the “U.S. Trustee”), by and through the undersigned, in furtherance of the administrative responsibilities imposed pursuant to 28 U.S.C. § 586(a), respectfully requests that this Court enter an Order, pursuant to 11 U.S.C. § 1112(b) converting or dismissing the above-referenced case, after a determination which would be in the best interests of creditors. In support thereof, the U.S. Trustee represents as follows:

1. On, September 24, 2012, Sanctuary Evangelistic Church, Inc. (“Debtors”) filed a voluntary petition under Chapter 11 of the Bankruptcy Code. The debtor is a religious institution and has been acting as a Debtor in Possession since that time.
2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 157.
3. Section 1112(b) of the United States Bankruptcy Code requires that the Court shall convert a Chapter 11 case to one under Chapter 7, or dismiss the Chapter 11 case, if a party in interest establishes “cause.” 11 U.S.C. § 1112(b); *In re Skeen, Goldman, LLP*, Case No. 07-10535-JS, 2007 WL 4556683 at *3 (Bankr. D. Md., Dec. 20, 2007); *In re 3 Ram, Inc.*, 343 B.R.

113, 117 (E.D. Pa. 2006). Specifically, § 1112(b) provides: “[O]n request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of the creditors and the estate, for cause unless the court determines that the appointment under section 1104(a) of a trustee or an examiner is in the best interests of the creditors and the estate.” 11 U.S.C. § 1112(b)(1).

4. The Code provides 16 examples of “cause.” 11 U.S.C. § 1112(b)(4). The list, however, is non-exhaustive and, thus, various non-identified acts or failure to act may also constitute cause. *Skeen, Goldman, LLP*, 2007 WL 4556683 at *4; *In re AmeriCERT, Inc.*, 360 B.R. 398, 401 (Bankr. D.N.H. 2007).

5. In the three months the debtor has been under the protection of the Court, they have not attempted to confirm a plan of reorganization. The debtor has failed to file any Monthly Operating Reports for the partial month of September in addition to October and November. The United States Trustee requested the delinquent September and October reports on December 7, 2012, without response or compliance by the debtor, and since that time the November report was due December 21, 2012, but is also delinquent.

6. The debtor is unable to fulfill the chapter 11 debtor in possession duties of timely reporting its financial transactions to the creditors. Therefore, cause exists pursuant to 11 U.S.C. § 1112(b)(4)(F).

7. The secured creditor on the church property has filed for relief from the automatic stay and also abandonment of the property at 1228 E. 5th Street, Tulsa, OK which is pending. The debtor’s schedules indicate there is equity in the property however no response has yet been filed in opposition.

8. It is most likely in the best interest of creditors to convert this case to a chapter 7 as it appears there are other assets that would be available for administration by a trustee to pay creditors, as well as equity in the church property; alternatively, the case should be dismissed.

NOTICE OF OPPORTUNITY FOR HEARING

Your rights may be affected. You should read this document carefully and consult your attorney about your rights and the effect of this document. If you do not want the Court to grant the requested relief, or you wish to have your views considered, you must file a written response or objection to the requested relief with the Clerk of the United States Bankruptcy Court for the Northern District of Oklahoma, 224 South Boulder, Tulsa, Oklahoma 74103 no later than 24 days from the date of filing of this request for relief. You should also mail a file-stamped copy of your response or objection to the undersigned movant/movant's attorney [and others who are required to be served] and file a certificate of service with the Court. If no response or objection is timely filed, the Court may grant the requested relief without a hearing or further notice. The 24 day period includes the 3 days allowed for mailing provided for in Rule 9006(f) Fed. R. Bankr. P.

WHEREFORE, the U.S. Trustee respectfully requests that this Court enter an Order granting this Motion to Convert or Dismiss the case and further relief as is just and proper.

Dated: December 27, 2012

RICHARD A. WIELAND
United States Trustee

BY: /s/ Katherine Vance

Katherine Vance, OBA #9175
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CERTIFICATE OF SERVICE

I hereby certify that on December 27, 2012, a true and correct copy of the Motion to Dismiss was electronically filed with the Court using the CM/ECF system, which sent notification to all parties of interest participating in the CM/ECF system.

Further, I certify that a true and correct copy of the Motion to Dismiss were forwarded via U.S. Mail, first class, postage prepaid and properly addressed to the attached matrix.

s/ Katherine Vance
Katherine Vance
Assistant U. S. Trustee

Label Matrix for local noticing

1085-4

Case 12-12616-M

Northern District of Oklahoma

Tulsa

Thu Dec 27 09:52:45 CST 2012

American Heritage Bank

c/o Sam T. Allen, IV

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Airvantage

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C/O KENT E. RENFROW,

End of Label Matrix
Mailable recipients 25
Bypassed recipients 3
Total 28